



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE
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**AS GOVERNOR SCHWARZENEGGER CONVENES COUNCIL OF
ECONOMIC ADVISORS, TREASURER ANGELIDES WARNS THAT
GOVERNOR'S 'BUSHONOMICS' AGENDA WILL LEAVE CALIFORNIA
FAMILIES WITH MORE DEBT AND LESS ECONOMIC OPPORTUNITY**

*Angelides, Joined by College Students, Criticizes Domination of Governor's Council By
Members of 'Team Trickle Down' Who Helped Reagan, Bush Administrations Enact
Billions in Tax Breaks For the Wealthy, Build Up Massive \$3.9 Trillion In Federal Debt*

SACRAMENTO, CA – State Treasurer Phil Angelides, flanked by California college students, warned today that Governor Schwarzenegger – with his recent budget and legislative actions, and the appointment of his new Council of Economic Advisors – is heading down a dangerous path of “Bushonomics” that will damage the State's economy. Angelides said the Governor's economic recipe – with its borrowing and bigger deficits that will be passed on to California's next generation, and its cutbacks to critical investments such as higher education and access to healthcare – will shrink opportunities for California's working families and hobble the State's competitiveness in the 21st Century.

On the day that Schwarzenegger was scheduled to convene his newly appointed Council of Economic Advisors here, Angelides criticized the domination of the Council by members of “Team Trickle Down,” a group of advisors who strictly adhere to the philosophy that the economic benefits of tax cuts to corporations and the wealthiest Americans will “trickle down” to everyone else, and that massive governmental debt is of little concern.

The Governor's 16-member Council includes nine associated with the conservative, “supply-side” Hoover Institution at Stanford University. Also, seven of the 16 served in the administrations of or as advisors to Presidents Ronald Reagan, George H.W. Bush and/or George W. Bush.

Already this year, Angelides said, the Governor has signed off on a state budget with \$7 billion in new borrowings, and his bill signings and vetoes “have firmly established unfair economic policies that will result in higher costs for healthcare and prescription drugs for working Californians and higher college fees and less opportunity for our young people.

“And now he brings us ‘Team Trickle Down’ – a losing team with a losing record,” Angelides added. “Over the Reagan Administration and both Bush Administrations, this bad-news bunch of advisors has helped shape an economic game plan of tax cuts for the

wealthy and massive borrowing that added \$3.9 trillion, or \$13,265 for each American, to the federal deficit.”

Angelides pointed out that the Bushonomics agenda will result in federal tax breaks totaling \$415 billion for the wealthiest 1 percent of American taxpayers from 2001-2006. In California, the wealthiest 1 percent of taxpayers – with an average annual income of more than \$1.3 million – will receive \$46 billion in federal tax cuts over the same period. This year alone, the federal tax breaks to those wealthiest Californians will be \$12 billion, roughly equal to California’s projected state budget deficit when the year began.

“Today, with his convening of his Council of Economic Advisors, the Governor must be put on notice,” Angelides said, “that if he continues to use the ‘Team Trickle Down’ playbook, then the consequences will be devastating to California’s fiscal and economic health.

“What California needs today,” Angelides added, “is an economic plan that advances fiscal responsibility, promotes budgetary fairness and expands opportunity for all Californians – a plan that will equip California and Californians to compete in the 21st Century global economy.”

Angelides emphasized that the State’s fiscal and economic challenges require a sound, forward-looking economic plan – not a repeat of the failed policies of Team Trickle Down. The non-partisan state Legislative Analyst’s Office is already projecting an annual budget deficit upwards of \$8 billion by 2006. And California’s job growth has lagged the nation’s since Schwarzenegger took office, after having equaled or bettered the nation’s job performance since the mid-1990s.

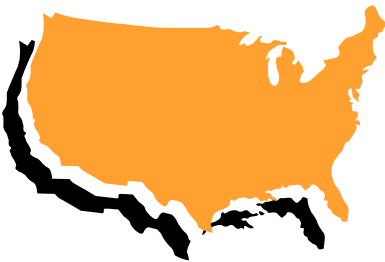
At today's news conference, Angelides provided the college students here with a "gift" from governor’s Team Trickle Down – a symbolic bill for \$13,265, representing each student’s share of the \$3.9 trillion national debt that Team Trickle Down created.

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Team “Trickle Down”

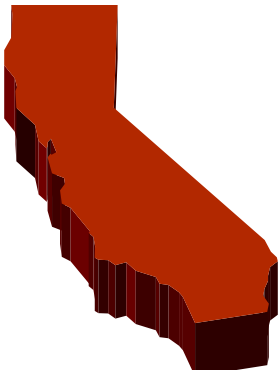
✗ Secretary George P. Schultz	Hoover Institution Reagan Administration Bush II Advisor
✗ Dr. Annelise Anderson	Hoover Institution Reagan Administration
✗ Dr. Martin Anderson	Hoover Institution Nixon, Reagan Administrations Bush II Advisor
✗ Dr. Gary Becker	Hoover Institution
✗ Dr. Michael J. Boskin	Hoover Institution Bush I Administration Bush II Advisor
✗ Dr. John Cogan	Hoover Institution Reagan, Bush I, Bush II Administrations
✗ Dr. Milton Friedman	Hoover Institution Reagan Administration
✗ Dr. Arthur B. Laffer	Nixon, Ford, Reagan Administrations
✗ John B. Shoven	Hoover Institution
✗ Dr. James Sweeney	Hoover Institution

COST OF BUSH II TAX CUTS 2001-2006



Nationwide:

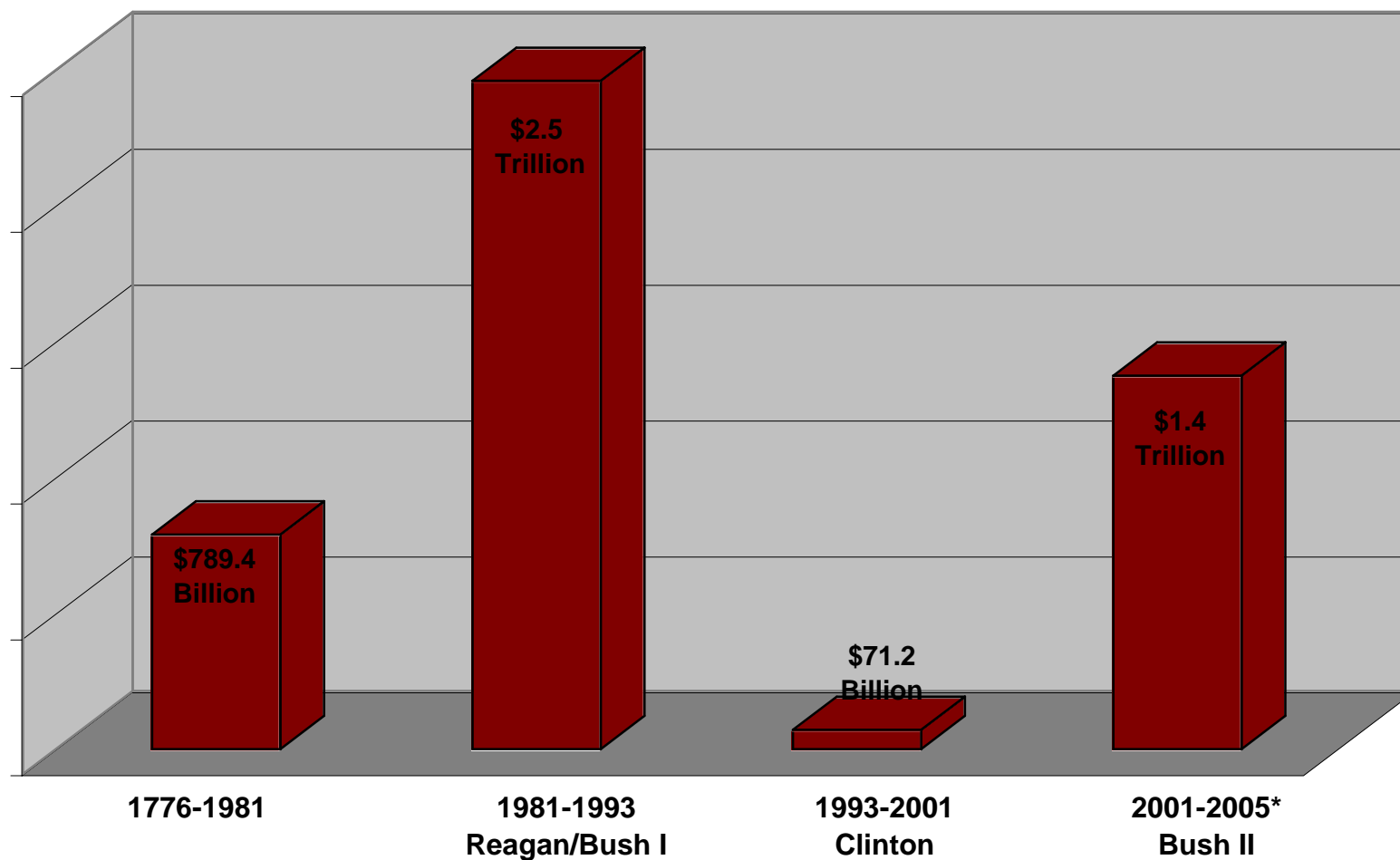
The top 1% of taxpayers will receive \$415 billion in tax cuts



In California:

The top 1% of taxpayers (with an average annual income of \$1,334,000) will receive \$46 billion in tax cuts

Amount of Federal Debt Accumulated



*Includes estimate for 2004 fiscal year, and projection for 2005 fiscal year

Source: Congressional Budget Office